

Message Text

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44

ACTION EB-07

INFO OCT-01 ARA-10 ISO-00 SSO-00 NSCE-00 USIE-00 INRE-00

CIAE-00 COME-00 DODE-00 DOTE-00 FMC-02 INR-07 NSAE-00

CG-00 OFA-01 DLOS-04 SS-15 NSC-05 SP-02 L-03 H-02

PA-02 PRS-01 FTC-01 STR-04 AID-05 CIEP-02 TRSE-00

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FM AMEMBASSY GUATEMALA

TO SECSTATE WASHDC IMMEDIATE 7608

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E.O. 11652: N/A

TAGS: EWWT, GT, US

SUBJECT: FLOMERCA/DELTA PROBLEM - EMBASSY STATEMENT

1. FOL IS TEXT OF NEWS RELEASE SENT TO LOCAL MEDIA JULY 30.

2. QUOTE: THE AMERICAN EMBASSY MADE THE FOLLOWING STATEMENT WITH RESPECT TO REPORTS IN THE GUATEMALAN PRESS CONCERNING ACTION TAKEN BY THE AMERICAN COMPANY, DELTA STEAMSHIP LINES, INC., AGAINST WHAT DELTA STATES IS DISCRIMINATORY TREATMENT RECEIVED IN THE CARRYING OF UNITED STATES EXPORTS TO GUATEMALA:

3. UNITED STATES LAW SEEKS TO ASSURE THAT PRIVATE U.S. SHIPPING COMPANIES HAVE EQUAL ACCESS WITH SHIPPERS OF OTHER COUNTRIES TO CARRYING THE EXPORTS AND IMPORTS OF THE UNITED STATES. U.S. GOVERNMENT AGENCIES ARE OBLIGED UNDER THE LAW TO CONSIDER ANY COMPLAINTS THEY RECEIVE FROM U.S. SHIPPERS ALLEGING DISCRIMINATION THAT WOULD DENY THEM SUCH EQUAL ACCESS. ONE LAW - THE MERCHANT MARINE ACT - REQUIRING THE U.S. GOVERNMENT TO LOOK INTO SUCH COMPLAINTS IS 55 YEARS OLD. OVER THE YEARS, COMPLAINTS HAVE BEEN MADE UNDER THIS LAW AGAINST SEVERAL COUNTRIES BY A NUMBER OF DIFFERENT U.S. SHIPPING COMPANIES. ANOTHER LAW - THE TRADE ACT - CONTAINING SIMILAR

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REQUIREMENTS WAS PASSED IN 1974.

4. THE DELTA STEAMSHIP COMPANY HAS FILED FORMAL COMPLAINTS WITH THE TWO U.S. GOVERNMENT OFFICES IN WASHINGTON CONCERNED - THE FEDERAL MARITIME COMMISSION AND THE OFFICE OF THE SPECIAL REPRESENTATIVE FOR TRADE NEGOTIATIONS - CHARGING THAT THE COMPANY IS DISCRIMINATED AGAINST IN GUATEMALA. DELTA'S COMPLAINT SAYS THAT GUATEMALAN LAW REQUIRES A PENALTY TO BE PAID OF 50 PERCENT OF THE VALUE OF EVERY CARGO DELTA CARRIES FROM THE UNITED STATES TO GUATEMALA UNLESS A SPECIAL WAIVER IS GRANTED. DELTA STATES THAT IT HAS ATTEMPTED FOR MANY MONTHS TO NEGOTIATE AN AGREEMENT WITH FLOMERCA WHICH WOULD PERMIT THE U.S. LINE TO AVOID THE DISCRIMINATORY EFFECTS OF THE LAW, BUT WITHOUT SUCCESS.

5. IN AN EFFORT TO FIND OUT WHETHER THE DELTA COMPLAINT HAS MERIT, THE UNITED STATES FEDERAL MARITIME COMMISSION HAS ASKED DELTA AND SEVEN OTHER U.S. AND FOREIGN COMPANIES CARRYING CARGO FROM THE UNITED STATES TO GUATEMALA, INCLUDING FLOMERCA, TO GIVE THE COMMISSION INFORMATION ON VOYAGES, CARGO, PORTS SERVED, PENALTIES PAID AND EFFORTS THE COMPANIES MAY HAVE MADE TO REACH AGREEMENTS WHICH WOULD ELIMINATE PENALTIES. ON THE BASIS OF THE INFORMATION RECEIVED AND HEARINGS TO BE HELD, THE COMMISSION WILL DECIDE WHAT FURTHER STEPS MAY BE APPROPRIATE.

6. THE UNITED STATES GOVERNMENT IS CONDUCTING NO INVESTIGATION IN GUATEMALA, NOR HAS IT SENT A SPECIAL INVESTIGATOR HERE. THE HEARINGS BY THE SPECIAL TRADE REPRESENTATIVE AND THE FEDERAL MARITIME COMMISSION WILL BE HELD IN THE UNITED STATES, AND THE VIEWS OF ALL THE SHIPPING COMPANIES INVOLVED WILL BE TAKEN INTO ACCOUNT. IT IS HOPED THAT FROM THE FINDINGS WILL EMERGE A RESOLUTION OF THE PRESENT DIFFERENCES WHICH WILL BE SATISFACTORY TO THE INTERESTS OF BOTH GUATEMALA AND THE UNITED STATES. END QUOTE.
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